

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: September 9-10, 2009

Reference No.: 3.5
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Rachel Falsetti
Division Chief
Transportation Programming

Subject: **FINAL CLOSE-OUT REPORT ON FY 2008-09 SHOPP MINOR LUMP SUM ALLOCATION**

SUMMARY:

In Fiscal Year (FY) 2008-09, the California Department of Transportation (Department) awarded contracts totaling \$59,629,400 for Minor A State Highway Operation and Protection Program (SHOPP) projects, including \$45,610,500 sub-allocated by the Department and \$14,018,900 allocated by the California Transportation Commission (Commission) for substitute projects. In addition, \$35,955,863 for Minor B projects was awarded and \$2,091,297 was encumbered for right of way. The total amount awarded for the Minor Program was \$97,676,560.

The Minor Program target allocation for the 2008-09 fiscal year was \$106 million: \$82,613,000 for Minor A projects; \$19,612,000 for Minor B projects and \$3,775,000 for right of way. The SHOPP Minor program is a one-year program in which projects must be awarded in the fiscal year programmed. The Department awarded 92 percent of the Minor Program target allocation.

BACKGROUND:

On July 14, 2005, the Commission approved Resolution G-05-05, delegating to the Department authority to sub-allocate funds for Minor A projects included on an annual project list accepted by the Commission each year. For FY 2008-09, the project list and allocation of \$106,000,000 was approved by the Commission on June 26, 2008. The delegation authority allows the Department to proceed with advertisement of minor projects without waiting for the next Commission meeting to receive an allocation. The Department submitted allocation requests to the Commission for projects that were not included on the approved Minor A list.

Minor A projects are those over \$147,000, and Minor B projects are those under \$147,000.